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**CONFIDENTIAL**

July 24, 1961

78777/C-379

File!  
Mod!  
Inc.

25X1

Subject: Proposal for Air-Fed Incinerator

Dear [REDACTED]

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We have reviewed the drawing and specifications for the Model 1 Air-Fed Incinerator and although fabrication of this type of device is somewhat out of our usual line, it can be readily manufactured in our shop. We are pleased, therefore, to submit the following proposal which covers the fabrication of ten of these units on a Fixed Price basis:

Furnish services and materials to fabricate ten (10) Air-Fed Incinerators Mod. 1, in accordance with Specification No. 354 dated 25 May 1961.

Total Price. . . . \$54,769.00

A copy of our cost analysis EP-3006.20, showing a breakdown of our costs, is enclosed for your information.

The price quoted is based on receipt of one complete set of reproducible of the drawings set out in Specification No. 354 under Section 3 thereof, entitled "Parts", and on receipt, as customer-furnished equipment, of a suitable die for making the required louvers, and the blower and motor required for test. The motor must be suitable for use with 60 cycle current. This quotation is also based on the understanding that the units to be furnished will be manufactured in accordance with the specification and the drawings called out therein, using good workmanship and manufacturing techniques; however, we cannot guarantee the performance characteristics of the device where these are a function of the design.

With regard to functioning tests, we will supply the necessary paper and perform the tests as set out in the specification. Any deficiencies in the device which are due to workmanship or manufacturing error will be corrected, but as mentioned above, we can accept no responsibility for any deficiency revealed by the tests which is inherent in the design.

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Page 2 - Letter No. 78776/C-379, Subject: Proposal for Rotary Paper Destroyer  
Dated: July 24, 1961

Since the rubber covered thermocouple lead wire specified on Drawing 354-455 deteriorates rapidly with age, we propose to supply instead lead wire having asbestos covered asbestos insulation. Such lead wire is superior to that specified.

It is estimated that the first four units can be completed and tested ready for delivery within five months after receipt of authorization to proceed. The remaining units can be delivered within the following month.

This proposal will remain in effect for 45 days only, after which it may be extended, if still in order, upon receipt of a request.

It is hoped that this proposal is satisfactory, and that we will be authorized to proceed with this work in the near future.

Very truly yours,

JMS/jf

Encl: 2 copies Cost Analysis EP-3006.21

Copy to: Project Manager 3/1 copy enclosure

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**CONFIDENTIAL**TITLE Air-Fed Incinerator

Sheet \_\_\_\_\_

COST ANALYSIS

EP 3006. 20

of \_\_\_\_\_

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ITEM	NO. DESCR.	10 Units & Spares Less Blower & Motor							
COST ELEMENT	HRS. & RATE	DOLLARS	HRS. & RATE	DOLLARS	HRS. & RATE	DOLLARS	HRS. & RATE	DOLLARS	
Engineering Labor	Hrs. 325 Rate 4.98	1867.50	Hrs. Rate		Hrs. Rate		Hrs. Rate		
Engineering Overhead	Rate 100 %	1867.50	Rate %		Rate %		Rate %		
Manufacturing Labor	Hrs. 1893 Rate 2.45	1187.85	Hrs. Rate		Hrs. Rate		Hrs. Rate		
Manufacturing Overhead	Rate 150 %	1798.177	Rate %		Rate %		Rate %		
Tool Labor	Hrs. 360 Rate 2.75	990.00	Hrs. Rate		Hrs. Rate		Hrs. Rate		
Tool Overhead	Rate 150 %	1485.00	Rate %		Rate %		Rate %		
Tool Material		90.00							
Subcontract									
Material & Purch. Parts		6436.25							
Other Charges		1250.00							
Tool Engineering									
Tool Eng Overhead									
Cost Excluding G&A		44155.87							
G & A	12 %	5,334.70	%		%		%		
Total Estimated Cost		49790.57							
Profit or FF	%	4979.05	%		%		%		
Selling Price or CPFF		54769.62							
Unit Price									
Extended Price or CPFF									

Submitted to \_\_\_\_\_ Prepared by \_\_\_\_\_

7-12-61

Engineering Approval \_\_\_\_\_

7-12

Customer's Prop. Ref. \_\_\_\_\_ Checked by \_\_\_\_\_

Manufacturing Approval \_\_\_\_\_

AAInc. Prop. Declassified in Part - Sanitized Copy Approved for Release 2012/09/18 : CIA-RDP78-03642A001600040059-6

Date \_\_\_\_\_

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